

**NATIONAL DAIRY MARKET AT A GLANCE****CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (05/19):**

**BUTTER:** Grade AA closed at \$1.3350. The weekly average for Grade AA is \$1.2892 (+.0942).

**CHEESE:** Barrels closed at \$1.0650 and blocks at \$1.0900. The weekly average for barrels is \$1.0725 (-.0270) and blocks, \$1.0870 (-.0200).

**NONFAT DRY MILK:** Extra Grade and Grade A closed at \$1.0300. The weekly average for Extra Grade is \$1.0300 (N.C.) and Grade A, \$1.0300 (N.C.).

**BUTTER:** Butter prices are firm, although many producers and handlers continue to question why it is so strong at this time of the year. Inventories vary across the country. Some producers and handlers state that inventories are not at desirable levels and are looking for additional butter supplies, while others are reporting manageable stocks. For those with shortages, they are looking outside their local production area or going to the CME. Cream supplies have tightened now that ice cream production increased sharply. Churning is not as active as it has been. Butter demand is holding steady at fairly good levels. Many areas of the country, especially resort and vacation areas, are preparing for next weekend's holiday and the unofficial start of the summer vacation season. Retail orders are also strong, stimulated by scattered feature activity.

**CHEESE:** The cheese market remains weak. Current demand is concentrated on immediate needs since few buyers expect prices to firm in the short term. During the period of May 11-17, CCC purchased the first cheese under the price support program from outside the Midwest this year, a total of 80,528 pounds of Western blocks. CCC also purchased 158,400 pounds of Midwest process. CCC is seeking 760,000 pounds of barrels for July delivery under Invitation 627. Offers are due May 23. Most cheese plants continue to operate on extended schedules. Cheese offerings remain heavy.

**FLUID MILK:** Milk production is dropping in the Southern regions where temperatures are more summer-like and dry conditions prevail. Further north, milk output is steady or slightly heavier. More contacts feel that they have reached the peak or are very close to it. Fluid milk supplies are more than ample for the slow to fair Class I demand. Manufacturing plants are less active in the Southeast where milk supplies are falling the fastest. Plants in the Northeast and Upper Midwest have capacity available. With Memorial Day less than two weeks away, milk processors are prepared and expect few problems handling the milk. The fluid cream market is firmer as supplies tighten and prices rise. Sharply higher prices have slowed spot demand from both Class II & III users. The butter price (the basis for most cream sales) at the CME has increased about 30-cents since April 17.

**DRY PRODUCTS:** Nonfat dry milk production is steady at moderate to heavy levels. Demand is slow to fair and clearances of Western and Midwestern powder to CCC continue. The dry buttermilk market is firm and producer offerings are light. Spot demand is fair with some reports of price resistance. The WPC market remains firm with prices higher. Price resistance is also noted in this market. Producer stocks are tight. The dry whey market is steady with prices unchanged.

**CCC:** Purchases reported for the period of May 11-17 totaled 13,505,543 pounds of

nonfortified NDM. From this total, 12,057,190 pounds were from the West and 1,448,353 pounds from the Midwest. CCC also purchased 158,400 pounds of process cheese from the Midwest and 80,528 pounds of 40# blocks from the West. (EDITOR'S NOTE: Due to a recent move and related issues at the data provider's office, this summary is not the typical Monday-Friday information normally reported.)

**FEDERAL MILK ORDER ADVANCE PRICES HIGHLIGHTS (DAIRY PROGRAMS):** Under the federal milk order pricing system, the base price for Class I milk for June 2000 is \$11.70. This price is derived from the advanced Class IV skim milk pricing factor of \$7.70 and the advanced butterfat pricing factor of \$1.2195 per pound. Class I differentials specific to each order are added to the base price to determine the Class I price. The Class II skim milk price for June is \$8.40 and the Class II nonfat solids price is \$0.9333 per pound. The two-week product price averages are: butter \$1.1140, nonfat dry milk \$1.0100, cheese \$1.1011, and dry whey \$0.1755.

**APRIL MILK PRODUCTION (NASS):** Milk production in the 20 major states during April totaled 12.4 billion pounds, 3.7% above production in these same states in April 1999. March revised production, at 12.7 billion pounds, was 3.7% above March 1999. Production per cow averaged 1,598 pounds for April, 44 pounds (2.8%) above April 1999. The number of cows on farms was 7.79 million head, up 66,000 head (0.9%) from April 1999 and up 12,000 from March 2000.

**MILK SUPPLY AND DEMAND ESTIMATES (USDA, WAOB):** Milk production is expected to decline slightly (0.1%) in 2000/01. Production has been increasing in response to earlier strong milk prices and moderate feed prices, but despite continued gains in milk output per cow, cow numbers are expected to begin falling in the second half of 2000. Commercial use is expected to remain firm, which should support prices at levels slightly higher than those of 1999/2000.

**FEDERAL MILK ORDER PRICE AND POOL SUMMARY (USDA, DAIRY PROGRAMS):** During April, about 10.1 billion pounds of milk were received from producers. This volume of milk is 33.1% higher than the adjusted April 1999 volume. Slightly more than 3.6 billion pounds of producer milk were used in Class I products, 6.8% lower than the previous year. The timing of the Easter season, as well as calendar composition, likely had a negative impact on milk used in Class I in 2000 as compared to 1999. The all-market average Class utilizations were: Class I - 36%, Class II - 10%, Class III - 43%, and Class IV - 11%. The weighted average statistical uniform price (blend price under old pricing system) was \$11.63 per cwt., \$0.04 more than last month, and \$0.52 less than last year.

**PER CAPITA CONSUMPTION OF DAIRY PRODUCTS (USDA, ERS):** Per capita consumption of fluid milk and cream products totaled 219 pounds, unchanged from 1998. Compared to 1990, this category was down 15 pounds (6.4%). Per capita consumption of American cheese totaled 13 pounds, 7.4% more than 1998 and 17.1% more than 1990. For the other cheese category (not including cottage cheese) consumption was 16.8 pounds, 3.7% more than 1998 and 24.4% more than 1990. Combining American and other cheese shows consumption at 29.8 pounds, an increase of 21.1% from 1990.

\*\*\*\*SPECIALS THIS ISSUE\*\*\*\*

APRIL MILK PRODUCTION (PAGE 7)

1999 PER CAPITA CONSUMPTION OF DAIRY PRODUCTS (PAGE 8)

MILK SUPPLY AND USE ESTIMATES (PAGE 9)

FEDERAL MILK ORDER PRICE AND POOL SUMMARY (PAGE 10)

**CHICAGO MERCANTILE EXCHANGE  
CASH TRADING**

CHEESE: carload = 40,000-44,000 lbs., NONFAT DRY MILK: carlot = 42,000-45,000 lbs., BUTTER: carlot = 40,000-43,000 lbs.

PRODUCT	MONDAY MAY 15	TUESDAY MAY 16	WEDNESDAY MAY 17	THURSDAY MAY 18	FRIDAY MAY 19	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE							
BARRELS	\$1.0775 (-.0200)	\$1.0775 (N.C.)	\$1.0775 (N.C.)	\$1.0650 (-.0125)	\$1.0650 (N.C.)	(-.0325)	\$1.0725 (-.0270)
40# BLOCKS	\$1.0825 (-.0175)	\$1.0825 (N.C.)	\$1.0900 (+.0075)	\$1.0900 (N.C.)	\$1.0900 (N.C.)	(-.0100)	\$1.0870 (-.0200)
NONFAT DRY MILK							
EXTRA GRADE	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	N.C.	\$1.0300 (N.C.)
GRADE A	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	N.C.	\$1.0300 (N.C.)
BUTTER							
GRADE AA	\$1.1975 (+.0025)	----	\$1.3350 (+.1375)	----	\$1.3350 (N.C.)	(+.1400)	\$1.2892 (+.0942)

\*Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week. Computed by Dairy Market News for informational purposes. This data is available on the Internet at [WWW.AMS.USDA.GOV/MARKETNEWS.HTM](http://WWW.AMS.USDA.GOV/MARKETNEWS.HTM) \*Note: Markets will be closed on Monday, May 29 in observance of Memorial Day

## CHICAGO MERCANTILE EXCHANGE

\*Note: Markets will be closed on Monday, May 29 in observance of Memorial Day

MONDAY, MAY 15, 2000

CHEESE -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 2 CARS BARRELS: 1 @ \$1.0775, 1 @ \$1.0975; 9 CARS 40# BLOCKS: 1 @ \$1.0825, 1 @ \$1.0875, 1 @ \$1.0900, 1 @ \$1.0925, 1 @ \$1.0950, 2 @ \$1.0975, 2 @ \$1.1000  
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE  
 BUTTER -- SALES: 1 CAR GRADE AA @ \$1.1975; BIDS UNFILLED: 5 CARS GRADE AA: 1 @ \$1.1975, 1 @ \$1.1950, 1 @ \$1.1875, 1 @ \$1.1825, 1 @ \$1.1700; OFFERS UNCOVERED: 1 CAR GRADE AA @ \$1.2500

TUESDAY, MAY 16, 2000

CHEESE -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.0800; 4 CARS 40# BLOCKS: 1 @ \$1.0825, 1 @ \$1.0900, 1 @ \$1.0950, 1 @ \$1.1000  
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

WEDNESDAY, MAY 17, 2000

CHEESE -- SALES: 2 CARS 40# BLOCKS: 1 @ \$1.0825, 1 @ \$1.0900; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 3 CARS 40# BLOCKS: 1 @ \$1.0900, 1 @ \$1.0950, 1 @ \$1.1000; 2 CARS 40# BLOCKS WITH 6 MONTHS AGE: 2 @ \$1.3600  
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE  
 BUTTER -- SALES: 5 CARS GRADE AA: 1 @ \$1.2950, 2 @ \$1.3000, 1 @ \$1.3300, 1 @ \$1.3350; BIDS UNFILLED: 43 CARS GRADE AA: 1 @ \$1.3125, 1 @ \$1.2850, 6 @ \$1.2800, 1 @ \$1.2750, 1 @ \$1.2600, 2 @ \$1.2575, 1 @ \$1.2550, 1 @ \$1.2525, 2 @ \$1.2500, 1 @ \$1.2475, 2 @ \$1.2300, 2 @ \$1.2250, 1 @ \$1.2225, 2 @ \$1.2200, 1 @ \$1.2150, 1 @ \$1.2125, 1 @ \$1.2100, 2 @ \$1.2075, 5 @ \$1.2050, 1 @ \$1.2025, 1 @ \$1.2000, 6 @ \$1.1975, 1 @ \$1.1900; OFFERS UNCOVERED: NONE

THURSDAY, MAY 18, 2000

CHEESE -- SALES: 2 CARS BARRELS: 1 @ \$1.0775, 1 @ \$1.0650; 3 CARS 40# BLOCKS: 2 @ \$1.0900, 1 @ \$1.0925; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 3 CARS BARRELS: 1 @ \$1.0675, 1 @ \$1.0800, 1 @ \$1.0825; 5 CARS 40# BLOCKS: 1 @ \$1.0900, 1 @ \$1.0925, 1 @ \$1.0950, 1 @ \$1.0975, 1 @ \$1.1000  
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

FRIDAY, MAY 19, 2000

CHEESE -- SALES: 3 CARS BARRELS @ \$1.0650; BIDS UNFILLED: 2 CARS BARRELS: 1 @ \$1.0650, 1 @ \$1.0625; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.0700; 4 CARS 40# BLOCKS: 2 @ \$1.0900, 1 @ \$1.0950, 1 @ \$1.1000  
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE  
 BUTTER -- SALES: 9 CARS GRADE AA: 3 @ \$1.3350, 2 @ \$1.3325, 1 @ \$1.3350, 1 @ \$1.3325, 1 @ \$1.3300, 1 @ \$1.3350; BIDS UNFILLED: 14 CARS GRADE AA: 1 @ \$1.3300, 1 @ \$1.3275, 1 @ \$1.3250, 1 @ \$1.3100, 10 @ \$1.3000; OFFERS UNCOVERED: NONE

## BUTTER MARKETS

## NORTHEAST

Butter prices at the CME have been relatively steady since May 8, although moderately high for this time of year. However, in May 17 trading, butter prices at the CME did jump nearly 14 cents. The market tone remains unsettled. Lighter churning activity in recent weeks has some contacts wondering if prices will hold at current levels. Others point out that school closings will provide more surplus milk to butter/powder plants in coming weeks. Butter stocks are more than ample to cover current needs. Orders are steady to improved as restaurants prepare for the upcoming Memorial Day weekend and the unofficial beginning of summer. Retail demand is slow to fair, particularly when featured. Bulk butter sales remain in the range of 3-5 cents over the CME price/average.

## CENTRAL

Butter markets are firm. The cash trading level at the CME increased sharply at midweek, causing some producers and handlers to question why. Inventories of butter vary. Some producers/handlers are comfortable with butter stocks and do not foresee shortages later in the year, while others are not as positive. Recapping Wednesday CME trading, there were 5 sales as high as \$1.3350 with no offers, but 34 cars were bid and still on the board at the end of the trading session. Some handlers stated that a few buyers are not able to locate sufficient butter on the open market and are going to the exchange to fill their needs. Cream

supplies are tightening. Ice cream production is seasonally very active, thus absorbing much of the available cream. Butter producers are now stating that even ice cream producers are questioning the cost of cream and wondering how they will make ends meet. Butter demand is strong. Food service and retail orders are seasonally active. Bulk butter availability is not excessive thus bulk sales are running 3 - 5 cents per pound above various pricing bases.

## WEST

The major topic of conversation continues to be the improving call for cream from ice cream manufacturers. They are seeing their inventories being rapidly depleted as summer temperatures hit much of the country. Prices are firming as the competition between butter and ice cream increases. Butter sales activity remains very good for both bulk and print. Some contacts are commenting that they are starting to store some additional butter at this time. CME weekly butter cold storage stocks increased by 2.4 million pounds last week bringing the total up to 73.7 million pounds. This total, however, trails the same week last year by 10.4%. Current prices for bulk butter range from 4 cents under to 1 cent under the market based on the CME with various time frames and averages involved. The major price increase at the CME on 5/17 of 13 3/4 cents surprised many Western contacts because of the size and timing of the increase.

## NASS DAIRY PRODUCT PRICES

U.S. AVERAGE AND TOTAL POUNDS

WEEK ENDING	CHEESE		NDM	BUTTER	DRY WHEY
	40# BLOCKS	BARRELS 39% MOISTURE			
MAY 13	1.0927 5,622,433	1.0835 9,822,293	1.0115 17,890,136	1.1363 4,206,477	0.1751 7,392,773

Further data and revisions may be found on the internet at: <http://jan.mannlib.cornell.edu/reports/nassr/price/dairy>

## CHEESE MARKETS

## NORTHEAST

Prices are unchanged to higher. However, in the May 15 trading at the CME, the price of 40# blocks fell to \$1.0825, 1.75 cents below the support purchase price. Barrel prices are still fractionally higher than the \$1.07 support purchase price. The block price is the lowest since January 1978. The current market tone is weak. Production of cheese in the East is heavy and most plants are operating daily. Cheese stocks are more than adequate to cover needs. Current demand is slow to fair, but Memorial Day orders are being shipped. Restaurants along the shore and other vacation areas are preparing for the beginning of summer. Retail orders are occasionally improved as they prepare for normal June Dairy Month promotions.

WHOLESALE SELLING PRICES: DELIVERED,  
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	:	1.1225-1.6125
Cheddar Single Daisies	:	1.1025-1.5625
Cheddar 40# Block	:	1.2475-1.4250
Process 5# Loaf	:	1.3200-1.4425
Process 5# Sliced	:	1.3400-1.5875
Muenster	:	1.3050-1.6075
Grade A Swiss Cuts 10 - 14#	:	2.3500-2.5500

## MIDWEST

The cheese market continues to struggle. The current Chicago Mercantile Exchange daily cash block market is the lowest since September 1978 at its weekly predecessor, the National Cheese Exchange. Cheese supplies remain fully adequate to ample. Spot interest remains spotty with best demand for product for short term needs. Orders for June Dairy Month promotions seem light at the current time. Process movement remains mostly good, especially from food service accounts. Reports suggest that additional plants may soon offer cheese to CCC under the price support program. Premium pressure is building on mozzarella prices as additional schools and colleges close for the summer. Swiss output is seasonally active in an attempt to use available milk supplies and to build inventory for sales later in the year when milk supplies normally tighten. Swiss prices are mostly steady. Cheese production remains seasonally heavy though some plants are noticing milk intakes are about unchanged. Fat and protein tests on milk intakes are steady to just slightly lower.

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,  
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	1.2800-1.4500
Brick And/Or Muenster 5#	:	1.4200-1.6675
Cheddar 40# Block	:	1.4000-2.1150
Monterey Jack 10#	:	1.5800-2.1150
Blue 5#	:	1.8025-2.0000
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.4600-2.2150
Grade A Swiss Cuts 6 - 9#	:	2.0000-2.6850

## MIDWEST COMMODITY CHEDDAR

Dollars per pound, standard moisture basis (37.8-39.0%),  
carlot/trucklot, F.O.B. plants or storage centers.

CHEDDAR STYLES : MAY 15 - 19, 2000

BARRELS*	:	\$1.0775 - 1.1125
	:	(-\$ .0125) (-.0025)
40# BLOCKS	:	\$1.0725 - 1.1500
	:	(-\$ .0175) (.0375)

( ) Change from previous week. \* If steel, barrel returned.

## WEST

Natural items increased more than a penny based on the CME weekly average, but the increase is expected to be short lived as market prices again retreated. Prices on the CME are low enough now that contacts are expecting to see heavier offerings to the price support program if they stay at these levels. Commercial buying activity is of a very steady nature. Buyers have comfortable working stocks and are purchasing on a very regular basis to maintain those stocks. Demand, overall, is rated as very good for this time of year. The real problem with the market prices hovering around the support level is heavy production. U.S. milk production through April is estimated to be up 4.2%, so that no shortage of milk or cheese is expected in the near term at all. As time goes on, contacts are less sure how much normal fall run up in price will occur.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND  
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	1.2525-1.5125
Cheddar 40# Block	:	1.2300-1.3700
Cheddar 10# Cuts	:	1.4100-1.6300
Monterey Jack 10#	:	1.4200-1.5800
Grade A Swiss Cuts 6 - 9#	:	2.1500-2.4000

## FOREIGN

Prices are steady to higher on domestic styles. The continued weak Euro has sparked additional interest in EU cheese from the U.S. as well as other countries. In Europe, cheese stocks range from adequate to heavier than a year ago. Reports note that cheese output in the Netherlands during January and February is running well ahead of the same time last year. A recent report put out by the U.S. Commerce Dept. noted the subsidies paid on cheese exported to the U.S. Based on this report, Norway pay the highest and Greece the lowest. Current demand for imported cheese is slow to fair.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK  
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
	:	:
Roquefort	:	TFEWR : -0-
Blue	:	2.6400-3.1400 : 1.4475-2.9425*
Gorgonzola	:	3.2400-5.9400 : 2.0025-2.4900*
Parmesan (Italy)	:	TFEWR : 2.8625-3.3700*
Romano (Italy)	:	2.1000-2.5400 : -0-
Provolone (Italy)	:	3.4400-5.5000 : 1.4625-1.7425*
Romano (Cows Milk)	:	-0- : 2.6375-4.8125*
Sardo Romano (Argentina)	:	2.6500-3.2900 : -0-
Reggianito (Argentina)	:	2.6500-3.2900 : -0-
Jarlsberg-(Brand)	:	2.7400-3.3100 : -0-
Swiss Cuts Switzerland	:	-0- : 2.3500-2.5500
Swiss Cuts Finnish	:	2.5900-2.8500 : -0-
Swiss Cuts Austrian	:	2.2500-2.7500 : -0-
Edam	:	:
2 Pound	:	TFEWR : -0-
4 Pound	:	2.1900-3.0900 : -0-
Gouda, Large	:	2.3900-3.1500 : -0-
Gouda, Baby (\$/Dozen)	:	:
10 Ounce	:	27.8000-31.7000 : -0-

\* = Price change.

WEEKLY COLD STORAGE HOLDINGS-SELECTED STORAGE CENTERS  
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

BUTTER : CHEESE

05/15/00	25,236	:	129,928
05/01/00	24,626	:	130,143
CHANGE	610	:	-215
% CHANGE	2	:	N.C.

## FLUID MILK AND CREAM

## E A S T

Regional Milk Market Administrators announced the following March 2000 statistical uniform prices: Northeast \$12.46, Mideast \$11.77, Southeast \$12.88, Florida \$14.55, and Western New York (a state order) \$12.45 at the base cities/counties in the orders. During April, milk production in the 20 major states totaled 12.4 billion pounds, up 3.7% from April 1999. The following are the April to April changes for selected states: Florida unchanged, New York +0.8%, Texas +1.7%, Pennsylvania +2.9%, Vermont +4.4%, Virginia +6.2%, and Kentucky +8.7%. Milk production is falling rather rapidly in the Southeast where it has been hot and dry. From Virginia to New England, milk output is increasing with the more noticeable gains in the more northern areas. Milk volumes are in better balance, but still more than ample for the slower Class I demand. Florida handlers report sending about 109 loads out of state this week. This compares to 110 loads last week and 28 during the same week last year. Surplus milk volumes are lighter and manufacturing plants in the Southeast are not as active. One plant has been closed, one assigned to surplus milk, and the others are running at about two-thirds capacity and mostly on weekends. Further north, manufacturing plants have capacity and some contacts report lower receipts. Bottled milk demand is rated as very slow to steady. Cheese makers are taking contracted volumes, but show little interest in spot milk purchases. The condensed skim market is about steady. Class II sales are steady, but Class III demand is quite good. Prices are mostly unchanged to lower. The fluid cream market is mixed, mostly firm. Offerings are tighter, but with prices rising, spot interest is reported to be slowing. Last week cream cheese output was quite brisk, but cream suppliers now report fewer loads moving into some producing plants. Ice cream output is increasing seasonally, but the higher costs of fat are becoming a concern to some producers. The warmer weather along the East Coast is giving a boost to ice cream consumption. Churning activity is steady to a little lighter.

## FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

## SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT

F.O.B. PRODUCING PLANTS: NORTHEAST	-	1.5535-1.7000
DELIVERED EQUIVALENT ATLANTA	-	1.5535-1.6372 M 1.5774-1.6252
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	1.5535-1.6133

## PRICES OF CONDENSED SKIM, \$ PER LB WET SOLIDS

F.O.B. PRODUCING PLANTS:	
NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES	- .9900-1.1050
NORTHEAST- CLASS III - SPOT PRICES	- .8000-.9500

## M I D W E S T

## WISCONSIN SPOT SHIPMENTS:

SPOT SHIPMENTS:	LOADS
MAY 12 - 18, 2000	0
PREVIOUS WEEK	0
COMPARABLE WEEK IN 1999	0

Class I demand is irregular, best where promotional activity is underway. Cottage cheese and dip interest is about steady. Spot milk demand is surprisingly good this close to Memorial Day weekend with spot premiums reported at \$0.80 to 1.00 over class on short hauls. Most surplus milk currently comes from within the region. Mainly weekend milk continues to flow northward for processing. Cream demand is seasonal stronger with the continuing supply of cream separated by bottlers for school accounts still capable of supplying a few ice cream producers with adequate volumes of cream. However, cream supplies have tightened and prices are higher due to higher cash butter prices at the Chicago Mercantile Exchange. Some plant operators are wondering if their own milk intakes are at a plateau and/or if receipts

may peak a week or two early this year. Others, often with more grazers, are still seeing consistent increases. Milk receipts in Missouri are already showing signs of declines. The initial estimated April milk production in selected Midwestern states compared with 1999 is: Wisconsin 1.977 billion pounds, up 18 million pounds (0.9%); Minnesota 826 million pounds, up 6 million pounds (0.7%); Michigan 457 million pounds, unchanged; Iowa 335 million pounds, up 8 million pounds (2.4%). Indiana had an estimated 210 million pounds of milk produced in April, up 25 million pounds, 13.5%, the largest percentage increase in any of the 20 surveyed states in either of the past 2 months. While the first 4 states had lower cow numbers and an increase in the output per cow, Indiana had 10,000 more cows this year and also up in output per cow. Limited acreage of alfalfa have already been cut/green chopped, but most will need to wait until fields dry out after recent showers and instances of hail.

## WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	MAY 10 - 17	PREVIOUS YEAR
SLAUGHTER COWS	\$ 38.00- 45.00	\$ 35.00- 40.50
REPLACEMENT HEIFER CALVES	\$280.00-385.00	\$180.00-265.00

## SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	MAY 10 - 17	PREVIOUS YEAR
SLAUGHTER COWS	\$ 38.00- 47.50	\$ 34.00- 43.25

## W E S T

Class 1 prices were announced for California this week for the month of June. Northern California was pegged at \$13.72 and southern at \$13.99. The statewide average June price was \$13.78 based upon production. This price is 23 cents above last month, but 40 cents below June 1999. U.S. milk production for the twenty states for April totals 12.4 billion pounds, up 3.7% from April 1999. Cumulative output for the first four months of 2000 is up 4.2% from 1999, adjusting for the February extra day. April cow numbers were up 66,000 head from a year earlier and 12,000 head from March. The net increase in cows in the five Western states surveyed was 92,000 head. Western milk production for selected Western states compared to last year is as follows: Arizona up 4.7%, California up 6.1%, Idaho up 11.9%, New Mexico up 10.0%, and Washington up 1.5%. Scattered showers and a few widely scattered thunder storms have been common over California from the bay area and north. Milk production has not been hampered, but hay harvesting has been negatively impacted. Not much has been put up without some rain damage. Some buyers are becoming a little nervous about availability and pricing for later in the summer as their stocks become depleted. Contacts are waiting to assess what impact the major price increase for butter on 5/17 at the CME will have on cream sales activity. Those buyers that had made purchases previously based on prices for date of shipment and their order was for Wednesday were a little upset. Weather conditions in Arizona and New Mexico were a little cooler this week as some cloud cover and higher winds moved in. Most contacts expect this pattern to be short lived and they anticipate the heat to move in again soon. Weather conditions are ideal in the Pacific Northwest. Corn planting is progressing at a rapid rate this week as conditions should hold for the near term. Alfalfa is being cut as the crop is maturing quite rapidly and wet conditions have slowed the harvest. Little new crop hay has hit the market and any that has been sold has had light rain damage. Even with the defects it is clearing well. Hay stocks seem to be closely held in the region. Milk production continues to increase seasonally. Little culling is taking place and heifer prices are firm and animals are hard to find. Cooler temperatures have been more common over northern Utah and southern Idaho this past week. Milk production continues to increase. Some added plant capacity in the region should allow spring flush receipts to be handled efficiently.

**CENTRAL AND WEST DRY MILK PRODUCTS**

All reports, except California manufacturing plants, were released 05/18/00 and represent FOB Central and Western production areas. Prices represent CL/TL quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound.

**NONFAT DRY MILK - CENTRAL**

Prices are unchanged on a weak market. Supplies remain plentiful with most product clearing well into government programs. Milk volumes are beginning to level off in areas, decreasing pressure on dryers. However, with the upcoming Memorial Day holiday and school closings, some manufacturers are expressing concern on how excess volumes will be handled. Production is unchanged to lower on low heat and steady to higher on high heat. Premiums on high heat are unchanged with most spot sales moving into bakeries. Standard grade is reportedly trading in the mid 70's.

Includes EXTRA GRADE and GRADE A, low and medium heat

NONFAT DRY MILK: .9900 - 1.0100 MOSTLY: 1.0000 - 1.0100

**DRY BUTTERMILK - CENTRAL**

Prices are unchanged to higher on a steady to firm market. Production continues to decrease as interest increases in condensed for ice cream manufacture. Churning activity is down at some plants which is also decreasing the amount of buttermilk produced. Inventories are tight with most plants unable to fulfill spot interest. Buttermilk product is in good supply for the light demand. Aged product is reportedly available just below the range. Traders are speculating that the market will begin to settle as buyers continue to work off of existing inventories.

BUTTERMILK: .8150 - .8600

**DRY WHEY - CENTRAL**

Prices are unchanged on a steady market. Supplies are reportedly tight at some locations, yet producers are not pushing prices higher. Some movement is occurring into export markets with most spot shipments reported into feed and bakery plants. Export traders are bidding prices lower and meeting some resistance from manufacturers. Production is generally unchanged. Supplies of condensed are mixed as some plants are unable to bring in adequate solids while others find no difficulty at 45-50% of the dry price. Off grade supplies are plentiful for the light demand.

NONHYGROSCOPIC: .1650 - .1850 MOSTLY: .1700 - .1800

**ANIMAL FEED WHEY - CENTRAL**

Prices are unchanged on a steady market. Milk replacer supplies are plentiful for the light to fair demand. Buying interest is on an as needed basis and production is unchanged. Roller ground movement continues to clear best on regular commitments. Spot interest is light although improved over last week. Delactose supplies are generally in balance with current interest. Off grade product is readily available and sometimes difficult to clear. Movement is best into the food industry. The hog market is mostly steady with early weaned pig prices trending lower. The North Central veal market is steady to slightly weak on light to moderate offerings.

MILK REPLACER: .1300 - .1600  
ROLLER GROUND: .1600 - .1800  
DELACTOSE (Min. 20% protein): .3275 - .3450

**LACTOSE - CENTRAL AND WEST**

Prices are unchanged on a steady to weak market. Supplies are mixed. Some producers are running long on product while others are behind on orders and unable to keep up with current interest. Export demand continues to hold the market steady with some domestic plants competing for Asian demand. Domestic movement is slow to fair. Movement into candy facilities is increasing while feed interest is decreasing. Off grade supplies are plentiful and trading below the range. Unconfirmed movement below the range is being reported on Extra Grade into feed facilities. Movement is best on Extra Grade 80-100 mesh. Production is generally unchanged as WPC movement continues strong.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.

EDIBLE: .1800 - .2550 MOSTLY: .1950 - .2050

**WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST**

Prices are higher on a firm market. Some feed buyers are opting not to buy spot loads and are now considering alternative protein sources such as soy or off grade NDM and buttermilk. Some export markets are also seeing the current price level as a deterrent to spot load purchases and are finding in country NDM supplies more price advantageous. Producers continue to report supply shortages. Resellers are offering at 2-3 cents over the average. Some importers report that sales of 34% are more profitable than 80% on the US market. However, high protein product remains tight and difficult to find. WPC 34% off grade is available and trading at 58-64 cents FOB. Condensed product is clearing well on regular commitments and is often tight in supply.

EXTRA GRADE 34% PROTEIN: .6575 - .7000 MOSTLY: .6725 - .6875

**NONFAT DRY MILK - WEST**

Fractional price declines were noted for low/medium heat powder in the Western region. The government price support program continues to be a major outlet for many manufacturing plants. The only commercial sales are for regular account needs. Additional plants that have not previously offered powder to the CCC price support program in a long time are now clearing powder to that outlet. For the shortened period of May 8-10, CCC clearances totaled 13.7 million pounds. Of this total, 12.1 million was from the West. Since October 1, 1999, clearances to CCC from all regions total 290.9 million pounds with the West accounting for 88.3% of the total. High heat prices are showing some strength with relatively good seasonal demand and production declining. Output is lower as plants with limited dryer time available are having to cut back on the slower to make high heat powder in favor of low/medium heat production which has a faster throughput.

Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT: .9900 - 1.0175 MOSTLY: 1.0000 - 1.0100  
HIGH HEAT: 1.0200 - 1.0600

**DRY BUTTERMILK - WEST**

Western buttermilk prices moved sharply higher this week. Demand remains very strong and offerings are very limited. Buyers continue to look for dry buttermilk to fit into their seasonal demand patterns. If they are not regular buyers, they have little chance of success. Even regular orders are most often being delayed. Offerings are declining because of less churning activity and more sales of condensed buttermilk. Buyers are showing some price resistance and are looking for substitutes with little real impact on the market.

BUTTERMILK: .7300 - .8200 MOSTLY: .7300 - .7500

**DRY WHEY - WEST**

Western whey prices continue to hold steady. The market is steady with no real direction apparent. Prices have been steady for a number of weeks now. Domestic demand is of a regular, steady nature. Ongoing, long term export sales are continuing at steady levels. Some newer interest is much more spotty. Inventories are mixed. Some contacts believe that stocks are a problem at some operations and others call the market more balanced. Many believe that the next few weeks, with the holiday and schools closing for the summer, will be a real test of the market direction.

NONHYGROSCOPIC: .1600 - .1900 MOSTLY: .1675 - .1750

**CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK**

WEEK ENDING	PRICE	POUNDS
May 12	\$1.0085	12,711,285
May 5	\$1.0079	12,243,619

Prices are weighted averages for Extra Grade and Grade A Nonfat Dry Milk, f.o.b. California manufacturing plants. Prices for both periods were influenced by effects of long-term contract sales. Compiled by Dairy Marketing Branch, California Department of Food and Agriculture.

**NORTHEAST, SOUTHEAST, AND NATIONAL MILK PRODUCTS**

All reports represent carlot/trucklot quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound, unless otherwise specified. Delivered Southeast is delivered equivalent Atlanta.

**NONFAT DRY MILK - NORTHEAST AND SOUTHEAST**

Price ranges and the market tone are steady. However, more producers have moved prices to the upper half of both the low and high heat price ranges which did impact the mostlies. Production levels are steady to lighter as surplus milk supplies are not as heavy as they have been. This is despite the fact that the Northeast is coming into the flush season. Prior sales continue to clear decent volumes. As a result of some of the "old deals," new buying interest is just fair. Producer stocks are lighter than usual for this time of year, but readily able to fill any new orders should they develop. Northeastern producers anticipate heavier output as schools dismiss for the summer and over the Memorial Day weekend, but they do not foresee any capacity problems. No Eastern NDM has been offered to CCC for the past five to six weeks.

Includes EXTRA GRADE AND GRADE A

F.O.B. NORTHEAST:

LOW/MEDIUM HEAT: 1.0000 - 1.0300 MOSTLY: 1.0100 - 1.0250  
HIGH HEAT: 1.0400 - 1.0800 MOSTLY: 1.0400 - 1.0700

DELVD SOUTHEAST:

ALL HEATS: 1.0300 - 1.1100

**DRY BUTTERMILK - NORTHEAST AND SOUTHEAST**

Prices remain steady to higher and nominal. Demand for buttermilk powder is readily clearing current stocks, but a few instances of price resistance are being noted. Production levels are lighter as churning activity is easing and sales of condensed buttermilk are increasing. Producer stocks are closely balanced for contractual needs, often tight for new spot inquiries. Few spot sales are occurring.

F.O.B. NORTHEAST: .8000 - .8200

DELVD SOUTHEAST: .7750 - .8200

**DRY WHOLE MILK - NATIONAL**

Prices and the market tone are unchanged. However, with butter prices moving sharply higher this week, some producers may adjust dry whole milk prices for next week's delivery. Domestic demand is slow to fair. Export interest is fair to good. A small to moderate volume DEIP bid was accepted this week.

F.O.B. PRODUCING PLANT: 1.1675 - 1.2650

**DEIP BID ACCEPTANCE SUMMARY**

JULY 1, 1999 THROUGH MAY 12, 2000  
WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK -- 101,383 MT (228,876,284 LBS)  
Program-year and preallocated volumes are filled.

WHOLE MILK POWDER -- 11,252 MT (24,806,159 LBS)  
CHANGE -- 520 MT (1,146,392 LBS)

CHEESE -- 2,819 MT (6,214,767 LBS)  
CHANGE -- 22 MT (48,501 LBS)

BUTTERFAT -- 5,298 MT (11,679,970 LBS)

Allocations for the DEIP year beginning July 1, 1999, are: Nonfat dry milk - 76,207 MT; Whole Milk Powder - 2,518 MT; Cheese - 3,190 MT; Butterfat - 25,475 MT. These DEIP allocations are in addition to balances still available from quantities announced on May 13, 1999; 25,177 MT of Nonfat Dry Milk (to be filled in roughly equal quarterly amounts during the GATT-year beginning July 1, 1999), 7,500 MT of dry whole milk, and 1,270 MT of cheese. March 31, 2000: USDA announced that additional 8,232 MT of dry whole milk was made available under DEIP until June 30, 2000.

**DRY WHEY - NORTHEAST AND SOUTHEAST**

Prices are unchanged and the market tone is steady. Contacts report market activity as quiet. Some spot sales are occurring, but buyers and end users do not seem to be buying too far ahead. Production levels are steady. Most Eastern cheese makers are operating daily and making quite a bit of dry whey. However, stocks at the production plants are generally balanced. Some producers are sold out through May and into June. Others do have dry whey for immediate shipment. New domestic spot demand is slow to fair, but export sales are helping clear some product. Animal feed whey stocks are clearing, but at discounted prices and stocks are not as heavy as they were earlier in the year.

F.O.B. NORTHEAST: EXTRA GRADE .1750 - .1850

USPH GRADE A .1750 - .1950

DELVD SOUTHEAST: .1950 - .2200

**EVAPORATED MILK - NATIONAL**

Prices and the market tone are unchanged. With Class III milk prices holding at and expected to stay at relatively low levels for the next month or so, some producers are not in a rush to replenish stocks. This is often the case if they have other outlets or needs for their milk. Demand is slow to fair and for replacement volumes. The Kansas City Commodity office announced the issuance of EVD-1, invitations 633, 634, and 635 inviting competitive offers to sell to CCC 1,652,400, 1,542,240, and 1,432,080 pounds of evaporated milk for delivery in July, August, and September 2000, respectively.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES \$21.00 - 33.00

Excluding promotional and other sales allowances. Included new price announcements.

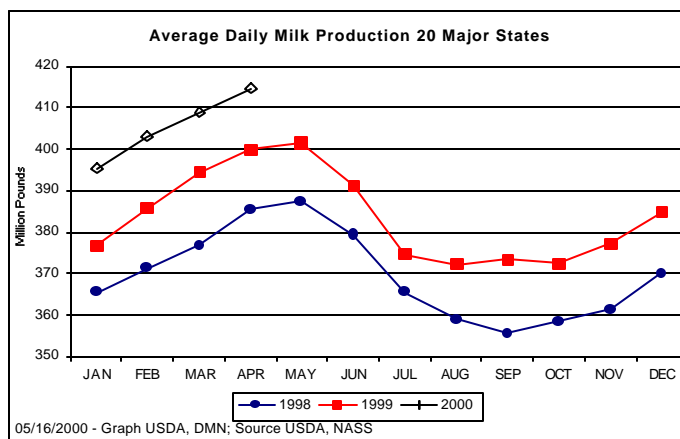
**CASEIN - NATIONAL**

Casein markets remain firm. Prices are unchanged to slightly higher. Stocks of both rennet and acid continue to be reported as limited. Acid is in the tightest position. Production in Europe is increasing seasonally and arrivals of new production into the U.S. are starting to occur. Negotiations for 3rd quarter needs are well underway. Early indications are that prices will probably be higher. Although milk production in Europe is increasing, availability of casein, to fully fill domestic needs, is still a concern. The Oceania region is basically fully committed at this time and is out of the market until August or September at the earliest.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET: 2.0500 - 2.2000

ACID: 2.0700 - 2.2000



## APRIL MILK PRODUCTION

Milk production in the 20 major States during April totaled 12.4 billion pounds, 3.7 percent above production in these same States in April 1999. March revised production, at 12.7 billion pounds was 3.7 percent above March 1999. The March revision represented a decrease of 0.1 percent or 15 million pounds from last months preliminary production estimate.

Production per cow in the 20 major States averaged 1,598 pounds for April, 44 pounds above April 1999.

The number of cows on farms in the 20 major States was 7.79 million head, up 66,000 head from April 1999 and up 12,000 from March 2000.

## APRIL 2000 MILK COWS AND MILK PRODUCTION, BY STATES

STATE	MILK COWS 1/		MILK PER COW 2/		MILK PRODUCTION 2/		
	1999	2000	1999	2000	1999	2000	% CHANGE FROM 1999
	THOUSANDS		POUNDS		MILLION POUNDS		PERCENT
AZ	132	138	2,075	2,080	274	287	4.7
CA	1,456	1,507	1,770	1,815	2,577	2,735	6.1
FL	160	158	1,435	1,455	230	230	---
ID	312	337	1,640	1,700	512	573	11.9
IL	124	120	1,430	1,520	177	182	2.8
IN	136	146	1,360	1,440	185	210	13.5
IA	218	215	1,500	1,560	327	335	2.4
KY	134	133	1,110	1,220	149	162	8.7
MI	299	291	1,530	1,570	457	457	---
MN	545	540	1,505	1,530	820	826	0.7
MO	160	157	1,290	1,330	206	209	1.5
NM	231	241	1,740	1,835	402	442	10.0
NY	700	696	1,460	1,480	1,022	1,030	0.8
OH	260	262	1,420	1,490	369	390	5.7
PA	615	615	1,545	1,590	950	978	2.9
TX	342	350	1,545	1,535	528	537	1.7
VT	161	160	1,420	1,495	229	239	4.4
VA	122	120	1,320	1,425	161	171	6.2
WA	248	246	1,870	1,915	464	471	1.5
WI	1,365	1,354	1,435	1,460	1,959	1,977	0.9
20 STATE TOTAL	7,720	7,786	1,554	1,598	11,998	12,441	3.7

1/ Includes dry cows. Excludes heifers not yet fresh.

2/ Excludes milk sucked by calves.

**SOURCE:** "Milk Production," Da 1-1 (5-00), Agricultural Statistics Board, National Agricultural Statistics Service, U.S. Department of Agriculture.

1999 PER CAPITA CONSUMPTION OF DAIRY PRODUCTS <sup>1/</sup>

Per capita consumption of fluid milk and cream products totaled 219 pounds in 1999, unchanged from 1998. Compared to 1990 this category was down 15 pounds (6.4 percent).

Per capita consumption of American cheese totaled 13 pounds, 7.4 percent more than 1998 and 17.1 percent more than 1990. Per capita consumption of Other cheese (not including cottage cheese) was 16.8 pounds, 3.7 percent more than 1998 and 24.4 percent more than 1990.

Per capita consumption of frozen products totaled 29.3 pounds, 1.0 percent less than 1998 but 3.5 percent more than 1990.

Year	Fluid milk and cream <u>2/</u>	Butter	Cheese			Evaporated and condensed		
			American	Other	Cottage	Canned, whole milk	Bulk, whole milk	Bulk and canned, skim milk
	Pounds							
1975	261	4.7	8.4	6.1	4.7	3.9	1.4	3.6
1980	246	4.5	9.6	7.9	4.5	2.8	1.0	3.3
1985	241	4.9	12.2	10.4	4.1	2.2	1.4	3.8
1990	234	4.4	11.1	13.5	3.4	2.2	1.0	4.8
1991	233	4.4	11.1	13.9	3.3	2.1	1.1	5.0
1992	231	4.4	11.3	14.7	3.1	2.1	1.1	5.2
1993	226	4.7	11.4	14.8	2.9	1.9	1.1	5.2
1994	226	4.8	11.5	15.3	2.8	1.8	0.8	5.5
1995	223	4.5	11.8	15.4	2.7	1.5	0.8	4.5
1996	224	4.3	12.0	15.8	2.6	1.5	0.8	4.1
1997	221	4.2	12.0	16.0	2.7	1.7	0.9	4.0
1998	219	4.5	12.1	16.2	2.7	1.4	0.6	4.1
1999 <u>5/</u>	219	4.8	13.0	16.8	2.7	1.5	0.6	4.5

Year	Frozen products				Dry milk products			
	Ice cream	Ice Milk	Sherbet	Other frozen dairy products <sup>3/</sup>	Dry whole milk	Nonfat dry milk	Dry Buttermilk	Dry Whey <sup>4/</sup>
Pounds								
1975	18.5	7.7	1.5	1.0	0.1	3.3	0.2	2.2
1980	17.5	7.1	1.3	0.3	0.3	3.0	0.2	2.7
1985	18.1	6.9	1.3	1.3	0.4	2.3	0.2	3.5
1990	15.8	7.7	1.2	3.6	0.6	2.9	0.2	3.7
1991	16.3	7.4	1.1	4.3	0.4	2.6	0.2	3.6
1992	16.3	7.1	1.2	4.4	0.5	2.8	0.2	3.8
1993	16.1	6.9	1.3	5.0	0.4	2.5	0.2	3.8
1994	16.1	7.6	1.4	4.9	0.4	3.5	0.2	3.6
1995	15.7	7.5	1.3	4.9	0.4	3.5	0.2	3.4
1996	15.9	7.6	1.3	3.9	0.4	3.8	0.2	3.4
1997	16.4	7.9	1.3	3.3	0.4	3.4	0.2	3.4
1998	16.6	8.3	1.3	3.4	0.4	3.3	0.2	3.5
1999 <sup>5/</sup>	16.8	7.9	1.3	3.3	0.4	3.0	0.2	3.4

<sup>1/</sup> Based on total population except for fluid products (resident population). <sup>2/</sup> Product weight of beverage milks, fluid cream, egg nog, and yogurt. <sup>3/</sup> Includes mellorine. May not be comparable across time. <sup>4/</sup> Includes modified whey products. <sup>5/</sup> Preliminary.

**SOURCE:** "Livestock, Dairy, and Poultry Situation and Outlook", LDP-M-70, April 27, 2000, Economic Research Service, USDA. For more information, contact James J. Miller, (202) 694-5184.



## MILK SUPPLY AND DEMAND ESTIMATES\*

**NOTE:** This report presents USDA's first projection of U.S. milk supply, use, and prices for the new year. Projections are based on economic analysis, normal weather, trends, and judgment.

Milk production is expected to decline slightly in 2000/01. Production has been increasing in response to earlier strong milk prices and moderate feed prices, but despite continued gains in milk output per cow, cow numbers are expected to begin falling in the second half of 2000. Commercial use is expected to remain firm, which should support prices at levels slightly higher than those of 1999/2000. Forecast CCC removals of butter and cheese in 1999/2000 are raised this month but removals are expected to fall sharply in 2000/01 with the termination of the price support program at the end of 2000.

Item	1998/99 1/	1999/00 Projection 1/		2000/01 Projection 1/	
		April	May	April	May
<b>SUPPLY</b>		<b>BILLION POUNDS</b>			
BEGINNING COMMERCIAL STOCKS 2/	5.8	7.4	7.4	NA	7.0
PRODUCTION	161.2	167.1	167.2	NA	167.0
FARM USE	1.4	1.3	1.3	NA	1.3
MARKETINGS	159.8	165.8	165.8	NA	165.7
IMPORTS 2/	4.8	4.1	4.1	NA	4.0
TOTAL COMMERCIAL SUPPLY 2/	170.4	177.3	177.3	NA	176.7
<b>USE</b>					
COMMERCIAL USE 2/ 3/	162.7	169.5	169.5	NA	169.6
ENDING COMMERCIAL STOCKS 2/	7.4	7.0	7.0	NA	6.8
CCC NET REMOVALS:					
MILKFAT BASIS 4/	0.3	0.8	0.9	NA	0.3
SKIM SOLIDS BASIS 4/	5.4	8.3	8.7	NA	2.6
		<b>DOLLARS PER CWT.</b>			
<b>MILK PRICES 5/</b>					
BASIC FORMULA/CLASS III PRICE 6/	14.04	10.10-10.40	10.10-10.30	NA	10.55-11.55
CLASS IV 7/	NA	NA	11.35-11.65	NA	10.70-11.90
ALL MILK 8/	15.37	12.45-12.75	12.50-12.70	NA	12.20-13.20
		<b>MILLION POUNDS</b>			
<b>CCC PRODUCT NET REMOVALS 4/</b>					
BUTTER	1	15	15	NA	10
CHEESE	6	10	15	NA	6
NONFAT DRY MILK	449	680	710	NA	215
DRY WHOLE MILK	12	35	35	NA	0
	QUARTERLY 9/			ANNUAL 9/	
	2000 II	2000 III	2000 IV	2000	2001
	<b>BILLION POUNDS</b>				
MILK PRODUCTION	43.4	40.8	40.7	167.4	167.1
	<b>DOLLARS PER CWT.</b>				
ALL MILK PRICE 5/ 8/	11.70-12.00	12.50-13.10	13.75-14.65	12.45-12.95	12.25-13.25
CLASS III PRICE 5/ 6/	9.45-9.75	10.90-11.50	12.15-13.05	10.55-11.05	10.65-11.65

NOTE: Totals may not add due to rounding. 1/ Marketing year beginning October 1. 2/ Milk equivalent, milkfat basis. 3/ Includes commercial exports. 4/ Includes products exported under Dairy Export Incentive Program. 5/ Projections indicate a range of the average for the quarter or year. 6/ Basic Formula Price (BFP) through December 31, 1999; Federal milk order Class III price beginning January 1, 2000. 7/ Federal milk order Class IV price. 8/ Milk of average fat test. Does not reflect any deductions from producers as authorized by legislation. 9/ Calendar year basis projection.

\* The World Agricultural Supply and Demand Estimates were approved by the Interagency Commodity Estimates Committee. The members for Dairy are: Shayle Shagam, Chairperson, WAOB; John Mengel, AMS; Authur Coffing, FAS; James Miller, ERS; and Daniel Colacicco, FSA.

**SOURCE:** "World Agricultural Supply and Demand Estimates," WASDE-361, World Agricultural Outlook Board, USDA, May 12, 2000.

## FEDERAL MILK ORDER PRICE AND POOL SUMMARY, APRIL

**HIGHLIGHTS.** Handler reports of receipts and utilization under the Federal milk order system for April have been filed and tabulated. Combined totals for the 11 consolidated orders are being released. During April, about 10.1 billion pounds of milk were received from producers. This volume of milk is 33.1 percent higher than the adjusted April 1999 volume. Slightly more than 3.6 billion pounds of producer milk were used in Class I products, 6.8 percent lower than the previous year. The timing of the Easter season, as well as calendar composition, likely had a negative impact on milk used in Class I in 2000 as compared to 1999. The all-market average Class utilization percentages were; Class I – 36, Class II – 10, Class III - 43, and Class IV – 11. The weighted average statistical uniform price (blend price under old pricing system) was \$11.63 per cwt., \$0.04 more than last month, and \$0.52 less than last year.

PRICE AND POOL STATISTICS FOR FEDERAL MILK ORDER MARKETING AREAS FOR THE MONTH OF APRIL 2000										
FEDERAL MILK ORDER MARKETING AREA <sup>1/</sup>	ORDER NUMBER	RECEIPTS OF PRODUCER MILK		UTILIZATION OF PRODUCER MILK IN CLASS I			UTILIZATION OF PRODUCER MILK IN OTHER CLASSES			UNIFORM PRICE <sup>3/</sup>
		TOTAL	CHANGE FROM PREV. YEAR <sup>2/</sup>	TOTAL	CHANGE FROM PREV. YEAR <sup>2/</sup>	PERCENT	CLASS II	CLASS III	CLASS IV	
		MIL. LBS.	PERCENT	MIL. LBS.	PERCENT		PERCENT			\$ PER CWT.
Northeast (Boston)	001	2,091.4	-0.6	816.1	-3.5	39	17	31	13	12.46
Appalachian (Charlotte)	005	565.7	7.8	340.7	-13.4	60	15	9	16	13.23
Southeast (Atlanta)	007	671.5	17.3	383.3	-5.7	57	10	19	14	12.88
Florida (Tampa)	006	258.9	0.0	211.7	-3.5	82	7	3	8	14.55
Mideast (Cleveland)	033	1,104.8	1.3	523.1	-9.7	47	16	27	10	11.77
Upper Midwest (Chicago)	030	2,068.8	181.9	325.6	-9.8	16	4	79	1	10.15
Central (Kansas City)	032	1,340.6	90.4	381.3	2.1	28	7	61	4	10.84
Southwest (Dallas)	126	742.2	12.3	313.2	-5.9	42	10	43	5	12.05
Arizona-Las Vegas (Phoenix)	131	288.8	12.4	77.1	-11.6	27	4	31	38	11.44
Western (Salt Lake City)	135	392.0	117.5	76.0	-22.6	19	8	58	15	10.76
Pacific Northwest (Seattle)	124	586.4	15.0	162.8	-8.5	28	7	32	33	11.31
<b>ALL MARKET AVERAGE OR TOTAL</b>	<b>4/</b>	10,111.0	33.1	3,610.8	-6.8	36	10	43	11	11.63

<sup>1/</sup> Names in parentheses are principal pricing points of markets.

<sup>2/</sup> Previous year figures are the simple summation of the data for the orders that were consolidated. For those orders that also include partial marketing area changes or the addition of unregulated area, the figures for the previous year were adjusted for these changes; in some cases these adjustments are based on estimated data. No adjustments to previous year figures were made for handler regulation shifts that result from other than marketing area changes. Also in April 1999, there was significant volumes of milk not pooled due to disadvantageous price relationships.

<sup>3/</sup> Statistical uniform price for component pricing orders (Class III price plus producer price differential). For other orders, uniform skim milk price times 0.965 plus uniform butterfat price times 3.5.

<sup>4/</sup> Due to a disadvantageous relationship between the Class II price and the location adjusted statistical uniform (blend) price in some markets, handlers elected not to pool milk that normally would have been associated with these markets.

## CCC PURCHASES OF DAIRY PRODUCTS

	FOR THE PERIOD OF MAY 11 - 17, 2000			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/99	SAME PERIOD LAST YEAR	PERIOD ENDING 05/12/00	SAME PERIOD LAST YEAR
BUTTER							
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-
CHEESE							
Block	80,528	-0-	80,528	495,203	-0-	-0-	-0-
Barrel	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Process	158,400	-0-	158,400	5,306,400	-0-	-0-	-0-
TOTAL	238,928	-0-	238,928	5,801,603	-0-	-0-	-0-
NONFAT DRY MILK							
Nonfortified	13,505,543	-0-	13,505,543	299,125,714	93,632,628	-0-	-0-
Fortified	-0-	-0-	-0-	5,313,347	-0-	-0-	-0-
TOTAL	13,505,543	-0-	13,505,543	304,439,061	93,632,628	-0-	-0-

MILK EQUIVALENT, MILKFAT AND SKIM SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT* BASIS	SKIM** SOLIDS		MILKFAT* BASIS	SKIM** SOLIDS
PERIOD OF MAY 11 - 17, 2000 =	5.2	159.6	COMPARABLE WEEK IN 1999 =	1.6	83.4
CUMULATIVE SINCE OCTOBER 1, 1999 =	120.5	3,601.1	CUMULATIVE SAME PERIOD LAST YEAR =	20.6	1,089.9
CUMULATIVE JANUARY 1 - MAY 17, 2000 =	109.3	3,008.0	COMPARABLE CALENDAR YEAR 1999 =	20.6	1,088.7

\* Factors used for Milkfat Solids Basis: Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22

\*\*Factors used for Skim Solids Basis: Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

## CCC ADJUSTED PURCHASES FOR THE PERIOD OF MAY 11 - 17, 2000 (POUNDS)

	BUTTER			CHEESE			NONFAT DRY MILK	
REGION	BULK	PACKAGED	UNSALTED	BLOCK	BARREL	PROCESS	NONFORTIFIED	FORTIFIED
MIDWEST	-0-	-0-	-0-	-0-	-0-	158,400	1,448,353	-0-
WEST	-0-	-0-	-0-	80,528	-0-	-0-	12,057,190	-0-
EAST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-

## CCC ADJUSTED PURCHASES SINCE 10/1/99 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL

	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT	
REGION	1999/00	1998/99	1999/00	1998/99	1999/00	1998/99	1999/00	1998/99
MIDWEST	-0-	-0-	5,721,075	-0-	32,971,300	6,514,242	49.8	7.0
WEST	-0-	-0-	80,528	-0-	269,027,764	87,118,386	49.7	93.0
EAST	-0-	-0-	-0-	-0-	2,439,997	-0-	0.5	0.0
TOTAL	-0-	-0-	5,801,603	-0-	304,439,061	93,632,628	100.0	100.0

## SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER JANUARY 1, 2000

MANUFACTURING MILK: Average Test 3.67% - \$9.90 per cwt.; 3.5% - \$9.80

## DOLLARS PER POUND

BUTTER: Bulk \$.6500; 1# Prints \$.6800

CHEESE: 40 &amp; 60# Blocks \$1.1000; 500# Barrels \$1.0700; Process American 5# \$1.1525; Process American 2# \$1.1925

NONFAT DRY MILK: Nonfortified \$1.0100; Fortified \$1.0200; Instant \$1.1675

## Dairy Cow &amp; Total Cow Slaughter under Federal Inspection, by Regions &amp; U.S., for Week Ending 04/29/00 &amp; Comparable Week 1999 1/ 2/

Regions*											U.S. TOTAL	% DAIRY OF ALL		
	1	2	3	4	5	6	7	8	9	10	WEEK : SINCE JAN 1	WEEK : SINCE JAN 1		
2000-Dairy cows HD (000)	0.2	1.0	5.6	4.7	18.5	2.3	0.8	0.7	9.7	3.1	46.7	937.6	47.6	50.7
1999-Dairy cows HD (000)	0.3	0.9	5.1	5.7	17.8	1.6	2.4	1.0	9.7	2.8	47.2	913.7	45.8	47.0
2000-All cows HD (000)	0.2	1.1	7.6	13.1	27.1	13.5	13.6	4.1	11.8	5.9	98.1	1,851.1		
1999-All cows HD (000)	0.3	1.0	7.0	16.6	24.4	13.4	16.8	4.9	12.3	6.5	103.1	1,945.6		

SOURCE: The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

1/ States included in regions are as follows: Region 1--ME, NH, VT, CT, MA, and RI; Region 2--NY and NJ; Region 3--DE, PA, WV, VA, and MD; Region 4--KY, TN, NC, SC, GA, AL, MS, and FL; Region 5--MI, OH, IN, IL, WI, and MN; Region 6--TX, OK, NM, AR, and LA; Region 7--IA, NB, KS, and MO; Region 8--MT, WY, CO, UT, ND, and SD; Region 9--CA, NV, AZ, and HA; Region 10--ID, OR, and WA. 2/ Totals may not add due to rounding.

## FEDERAL MILK ORDER CLASS PRICES FOR 2000 (3.5% BF)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Class I 1/	10.90	10.71	10.84	10.93	11.48	11.70						
Class II	11.43	11.51	11.71	12.10								
Class III	10.05	9.54	9.54	9.41								
Class IV	10.73	10.80	11.00	11.38								

1/ Specific order differentials to be added to this base price are located at: [www.ams.usda.gov/dairy/fmor\\_announce.htm](http://www.ams.usda.gov/dairy/fmor_announce.htm)